



Southwestern Idaho News

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY & WASHINGTON COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for the Boise-Nampa Metropolitan Statistical Area for January 2006 was 2.8 percent, down two-tenths of a percent from December 2005's revised unemployment rate of 3 percent and nearly a full percentage point below the January of 3.7 percent one year earlier. Total employment was up considerably from year ago levels by 11,700 people, an increase of 4.4 percent, while the labor force was up by 9,300 people, an increase of 3.3 percent. Perhaps most significant is that the number of unemployed people has declined by over 23 percent between January 2005 and January 2006.

Unlike November to December statistics, when the labor force declined slightly and the number of nonfarm jobs increased, both nonfarm jobs and labor force declined in January. This was mostly due to employers cutting back on seasonal holiday retail jobs, further seasonal decline in the construction industry and schools being out for Christmas

**Southwestern Idaho Table 2: January 2006
Seasonally Adjusted Labor Force Figures for
Southwestern Idaho Counties**

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	194,142	4,938	2.5	189,204
Adams	1,796	138	7.7	1,658
Boise	3,377	125	3.7	3,252
Canyon	80,818	2,529	3.1	78,290
Elmore	10,407	423	4.1	9,984
Gem	7,727	256	3.3	7,471
Owyhee	5,515	92	1.7	5,422
Payette	10,845	612	5.6	10,234
Valley	4,770	181	3.8	4,589
Washington	4,947	205	4.1	4,742
Statewide	748,584	24,523	3.3	724,061

**Southwestern Idaho Table 1: Boise City-Nampa MSA Labor Force &
Employment (Ada, Canyon, Boise, Gem and Owyhee counties)**

	Jan 2006*	Dec 2005	Jan 2005	% Change	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	287,000	288,600	277,700	-0.6	3.3
Unemployment	7,900	8,600	10,300	-8.1	-23.3
% of Labor Force Unemployed	2.8	3.0	3.7		
Total Employment	279,100	280,000	267,400	-0.3	4.4
Unadjusted					
Civilian Labor Force	287,300	290,000	277,900	-0.9	3.4
Unemployment	10,400	7,900	12,700	31.6	-18.1
% of Labor Force Unemployed	3.6	2.7	4.6		
Total Employment	276,900	282,100	265,200	-1.8	4.4
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs**	257,800	263,600	241,800	-2.2	6.6
GOODS-PRODUCING INDUSTRIES	49,900	51,500	46,900	-3.1	6.4
Natural Resources & Construction	20,200	21,500	17,300	-6.0	16.8
Manufacturing	29,700	30,000	29,600	-1.0	0.3
Durable Goods	23,600	23,700	23,100	-0.4	2.2
Wood Product Manufacturing	2,000	2,100	2,000	-4.8	0.0
Fabricated Metal Products Mfg.	1,400	1,400	1,400	0.0	0.0
Machinery Manufacturing	1,200	1,200	1,200	0.0	0.0
Computer & Electronic Manufacturing	13,900	13,800	14,400	0.7	-3.5
Transportation Equipment Mfg.	1,900	1,900	1,900	0.0	0.0
Other Durable Goods	3,200	3,300	2,200	-3.0	45.5
Nondurable Goods	6,100	6,300	6,500	-3.2	-6.2
Food Manufacturing	4,300	4,400	4,800	-2.3	-10.4
Printing & Related Support Activities	700	700	700	0.0	0.0
Other Nondurable Goods	1,100	1,200	1,000	-8.3	10.0
SERVICE-PROVIDING INDUSTRIES	207,900	212,100	194,900	-2.0	6.7
Trade, Transportation, & Utilities	50,700	52,000	46,400	-2.5	9.3
Trade	43,500	44,600	39,600	-2.5	9.8
Wholesale Trade	11,800	11,900	11,000	-0.8	7.3
Wholesalers, Durable Goods	7,200	7,100	6,700	1.4	7.5
Wholesalers, Nondurable Goods	3,300	3,300	3,400	0.0	-2.9
Retail Trade	31,700	32,700	28,600	-3.1	10.8
Food & Beverage Stores	4,400	4,500	4,100	-2.2	7.3
General Merchandise Stores	6,500	6,800	6,100	-4.4	6.6
All Other Retail Trade	20,800	21,400	18,400	-2.8	13.0
Transportation, Warehousing, & Utilities	7,200	7,400	6,800	-2.7	5.9
Utilities	500	600	600	-16.7	-16.7
Transportation & Warehousing	6,700	6,800	6,200	-1.5	8.1
Information	5,300	5,200	4,900	1.9	8.2
Telecommunications	2,400	2,300	2,000	4.3	20.0
Financial Activities	14,400	14,500	12,700	-0.7	13.4
Finance & Insurance	10,100	10,200	9,000	-1.0	12.2
Real Estate & Rental & Leasing	4,300	4,300	3,700	0.0	16.2
Professional & Business Services	36,600	37,700	34,300	-2.9	6.7
Professional, Scientific, & Technical	11,200	11,400	10,600	-1.8	5.7
Management of Companies & Ent.	5,700	5,700	5,700	0.0	0.0
Administrative & Support & Waste Mgmt.	19,700	20,600	18,000	-4.4	9.4
Educational & Health Services	31,400	31,700	30,600	-0.9	2.6
Educational Services	2,600	2,900	2,800	-10.3	-7.1
Health Care & Social Assistance	28,800	28,800	27,800	0.0	3.6
Hospitals	9,300	9,200	9,300	1.1	0.0
Leisure & Hospitality	22,300	22,700	21,300	-1.8	4.7
Arts, Entertainment, & Recreation	3,300	3,300	2,800	0.0	17.9
Accommodation & Food Services	19,000	19,400	18,500	-2.1	2.7
Accommodation	2,100	2,000	2,000	5.0	5.0
Food Services & Drinking Places	16,900	17,400	16,500	-2.9	2.4
Other Services	7,200	7,200	6,100	0.0	18.0
Total Government	40,000	41,100	38,600	-2.7	3.6
Federal Government	5,500	5,700	5,600	-3.5	-1.8
State & Local Government	34,500	35,400	33,000	-2.5	4.5
State Government	12,700	13,500	12,700	-5.9	0.0
State Government Education	3,900	4,800	4,500	-18.8	-13.3
State Government Administration	8,800	8,700	8,200	1.1	7.3
Local Government	21,800	21,900	20,300	-0.5	7.4
Local Government Education	13,600	13,900	12,400	-2.2	9.7
Local Government Administration	8,200	8,000	7,900	2.5	3.8

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

break. And while there was a sizable difference between the declines in nonfarm jobs and labor force, these two economic indicators measure two different entities. Labor force counts the number of people while nonfarm employment counts the number of non-agricultural related jobs. In the nonfarm job numbers, one person can account for multiple jobs while in the labor force a person can only be counted once, no matter how many jobs he or she may work. So while nonfarm jobs are declining at a faster rate than the labor force, it simply means more people are working in some capacity that is not being recorded by the non-farm jobs statistic. The labor force figure counts farm workers, self employed individuals and people working without pay in a family-owned business. In addition, people who have jobs, but do not work steadily all the time – such as educators during holiday breaks or summer vacation, are also counted in the labor force but not in nonfarm employment during the time they are not working. Due to these differences in methodologies, these figures can be changing at drastically different rates.

Nonfarm jobs in the Boise MSA declined from December to January by 5,800 jobs. This is an expected, seasonal decrease for several reasons. Construction activity slows during the winter months because it is highly dependent on the weather. Manufacturing decreases mostly due to seasonal shutdowns in many of the area's facilities either for a two-week equipment maintenance layoff or for the holidays. In either case, these people would be counted in the labor force figures but their jobs are not included in nonfarm numbers. Another contributor to the decline in nonfarm jobs was retail trade as this industry generally shows a large decline in January when many seasonal holiday jobs are eliminated. Education plays a big role in job decreases in January as many workers are idle during the holidays.

Despite the monthly job losses, the majority of the jobs are brought back very soon after the holidays or when the weather improves. It is notable that 16,000 new jobs were created in the Boise-Nampa MSA from January 2005 to January 2006, a 6.6 percent increase. The January 2006 civilian labor force and total employment figures for all ten counties in Southwest Idaho are shown in Treasure Valley Table 2 on page 12.

SPECIAL TOPIC: Trade Worker Shortage

The shortage of trade workers in the Treasure Valley is becoming a critical problem for area employers. Many area manufacturers and construction companies are struggling to find enough qualified workers as orders for manufactured products, homes and commer-

cial developments continue to pour in. Welders are in particularly high demand along with construction trade workers such as carpenters, electricians, equipment operators, framers, plumbers, painters, roofers and more.

In spite of the area's low unemployment rate, there is really no shortage of available workers — only workers with the necessary skills. This skill gap is the major component of the trade worker shortage. Industries with the most severe shortage of workers will need to make long-term commitments to solve the problem. Raising pay levels in the short term will help attract and retain a more qualified workforce. Also, raising pay levels now will help younger people consider the trades as a viable career option. As it stands now, jobs requiring a four-year degree pay considerably more money, usually offer better benefits and the work is not as physically demanding.

Raising wages in these trade professions may also attract workers in other job categories to change careers if the pay offered enough of an economic incentive. Employers willing to invest in and train their workers, and pay a more livable wage, are going to have an easier time of finding qualified employees in the current economic conditions facing the Treasure Valley.

AREA DEVELOPMENTS

Boise MSA

- Boise Cascade has sold its company headquarters building and accompanying parking lots in downtown Boise to local developer Rafanelli and Nahas. The building is approximately 300,000 square feet, and Boise Cascade intends to lease at least two floors of the building. Ada County assessed the building's value at \$19.8 million.
- Micron Technology recently purchased Zilog's Building 2 and an accompanying 38 acres for \$5 million. Micron plans to use the approximately 160,000 square-foot building to make image sensor and memory chips for use in digital cameras, cellular phones, automobiles, security systems and in some health care applications. Micron will eventually hire operators, technicians and support staff at the facility. Micron has said it wants to be up and running in their new building by the end of the year.
- In a bid to increase its market share in the NAND flash memory industry, Micron Technology recently announced the \$680 million acquisition of California-based Lexar Median Inc. Lexar employs approximately 325 people at its California facility, which will not be affected by the acquisition.

- As of the end of January, the Ada County apartment vacancy rate was 7 percent, down from 8.5 percent the same time last year. Average monthly rents increased from 77 cents per square foot to 79 cents per square foot. The declining vacancy has been attributed to rising prices for homes, higher interest rates and a decline in the number of new multi-family construction projects. The apartment vacancy rate was over 11 percent as recently as 2003 and 2004.
- Voters in the Vallivue School District recently approved a \$28.4 million school bond measure. The bond will fund construction of two new elementary schools, the first to open in 2007 the second in 2008. In addition, the bond will pay for renovations to Vallivue High School and an addition to Sage Valley making it the second middle school in the district.
- Two national retailers, Target and Costco, are opening new stores in the Treasure Valley Marketplace near the new Karcher Interchange. Work has begun on both stores, which are expected to be open for business in time for holiday shopping.

Valley County

- The McCall Municipal Airport is studying how it should update its master plan which was last updated in 1998. The study is expected to take approximately one year and is largely funded by the Federal Aviation Authority. Due to the increased construction activity of vacation homes and the Tamarack Resort in the area, larger airplane traffic has increased by 20 percent over the past two years. Airport officials are considering extending the runway, which is currently 6,100 feet long, adding taxiways and acquiring more sophisticated navigational equipment.
- The McCall City Council has enacted an affordable housing policy for developments within city limits. As of March 21, 20 percent of homes being built in new subdivisions must be offered at prices affordable to households that fall into pre-determined income categories so local wage earners can afford to live in McCall. There are choices for developers if they do not want to include affordable housing in their subdivision projects. For example, if the developer wishes to build affordable housing somewhere else in McCall, he has to build 15 percent more than he would have had to build in the original subdivision. If the developer wants to build outside city limits, an even larger number of affordable homes must be built. More details on this new ordinance can be found on the city's Web site at www.mccall.id.us.

- The McCall City Council has also approved community housing fees on new homes, averaging \$860 for a 1,000 square-foot home and up to \$7,160 for an 8,000 square-foot home. Fees will be used to help develop housing for lower income workers.

Elmore County

- Ground was broken recently on the new \$7.5 million Elmore County jail. A bond was passed in May 2005 to replace the current jail, rated the worst jail in Idaho on many criteria. The new jail will be 28,500 square feet and should be operational in March 2007. The bond is scheduled to be paid off in 15 years.

Payette County

- A race track similar to the Meridian Speedway has been proposed for Payette County near Fruitland near exit 3 on I-84. Track proprietors envision a 26 acre facility entitled Exit Three International Speedway.
- Fruitland has a new healthcare clinic. Weiser Memorial Hospital purchased an orthopedic practice from a retiring doctor and staffed it with their own orthopedist, a former rocket scientist from NASA. The new clinic will be staffed four days a week.

Washington County

- The city of Weiser received a \$360,000 Community Development Block Grant. Weiser will use the grant money to replace approximately 2,000 feet of sewer line to the site of a new 30,000 square-foot Bi-Mart store. Bi-Mart is expected to hire about 50 people and will offer fringe benefits.

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